

**Schools' Forum  
AGENDA PACK  
15 January 2020**

Venue: Strood Academy, Carnation Road, Strood, Rochester, Kent, ME2 2SX

Time: 4:00pm to 6:00pm

**Agenda**

- |     |  |                            |
|-----|--|----------------------------|
| 1.  | Apologies  |                            |
| 2.  | Minutes from the previous meeting.               |                            |
| 3.  | Declarations of Interest.                        |                            |
| 4.  | Funding Support Business Cases (6 cases)         | Various – External members |
| 5.  | 2019-20 Round 2 Monitoring SB Centrally Retained | Maria Beaney               |
| 6.  | Update on the Dedicated School Grant             | Maria Beaney               |
| 7.  | Funding Formula Consultation Feedback            | Maria Beaney               |
| 8.  | Financial 2020-21 Centrally Retained Budgets     | Maria Beaney               |
| 9.  | 2020-2021 Schools and Academy Funding Formula    | Maria Beaney               |
| 10. | The Forward Plan                                 |                            |
| 11. | Date, time and venue of the next meeting.        |                            |

**WIFI Password:**

## Schools Forum 15 January 2020

### Agenda Item 4: Funding Support Business Cases.

#### 1 Background Information

- 1.1 The Schools Block Dedicated Schools Grant (DSG) funds budgets delegated to schools/academies (via the funding formula) and funding retained by the Local Authority (LA) to support schools.
- 1.2 The Schools' Forum is required to approve the centrally retained budgets to support schools. In July 2019, the Schools Forum approved the Schools in Financial difficulty due to class sizes policy. This policy requests a business case to support the September 2020 class are approved as part of the budget setting process in January each year.
- 1.3 The schools Forum also approve the growth funding new classes on a school by school basis.

#### 2. Schools in Financial Difficulty due to Class sizes – Small Class Sizes.

- 3.1 The Schools in Financial Difficulty due to Class sizes policy was introduced to provide stability for those schools whose numbers in key stage 2 are less than 2/3's full.
- 3.2 Ongoing Support for schools which have been agreed previously is as follows:
  - Parkwood Schools Federation– Business Case is attached at Appendix 1.  
Support is requested for one year group at a total cost of £55,000. This is support for last years, Year R class which is moving into year 1 from September 2020. Pupil numbers have recovered sufficiently for September 2020. **Suggest funding is approved.**
  - Oaklands Schools– Business Case is attached at Appendix 2.  
Support is requested for one year group at a total cost of £55,000. This is support for last years, Year R class which is moving into year 1 from September 2020..  
**Suggest funding is approved.**
  - Crest – Prior year business case attached at appendix 3.  
Support is requested for three year groups at a total cost of £165,000. This is support for last years, Year R class which is moving into year 1, Year 1 class which is moving into year 2 and the new year R class for September 2020. **Suggest funding is approved.**
  - Hempstead Infants – Prior Year business case attached at appendix 4.  
Support is requested for one year group at a total cost of £55,000. This is support for last years, Year 1 class which is moving into year 2 from September 2020. Year 3 of 3 support. Pupil numbers have recovered sufficiently form September 2019.  
Support was approved in July for the 2018/19 academic year. **Suggest funding is approved.**
  - Luton Infants - Prior year business case attached at appendix 5.

Continued support is requested for another year at a total cost of £55,000. This is support for the year R class as it moves into year 1 from September 2020. Year 2 of 3 funding. **Suggest funding is approved.**

- St Peters – Business Case is attached at Appendix 6.

Support is requested for another year of support at a total cost of £55,000. This is support for the year R class from September 2020, which only has 19 pupils out of 40. The school is in the process of changing its PAN. **Suggest funding is approved.**

3.3 If all the classes above are approved a total funding requirement of £440,000 will be required in 2020/21 as part of the contingency growth fund budget.

#### **4 The Schools Forum**

4.1 The Schools Forum is asked to **APPROVE** or **REJECT** each schools business case on a school by school basis.

##### **Report Authors:**

Maria Beaney

Finance Business Partner – Children's Services, Education and Schools

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**Appendix 1 – 6 have been classified as confidential.**

**Agenda Item 5:**  
**2019-20 Round 2 Centrally Retained Budgets Monitoring forecast.**

**1. Background Information**

- 1.1 This report provides the latest forecast on the schools budget for 2019/20, showing a forecast £6.521m overspend as at the end of October 2019. This is an adverse movement of £2m when compared to the round 1 forecast.

**2. 2019/20 School Budget**

- 2.1 The forecast year end position for 2019/20, as at 31 October 2019, is an overspend of £6.521m. This is summarised as follows:

<b>Block</b>	<b>Current budget £000</b>	<b>Forecast outturn £000</b>	<b>Forecast £000</b>
Schools	39,788	39,788	0
Early Years	17,224	17,223	(1)
High Needs	25,626	32,147	6,521
Central School Services	743	743	0
<b>Total DSG</b>	<b>83,381</b>	<b>89,901</b>	<b>6,520</b>

After academy recoupment.

- 2.2 The most significant overspend is on the high needs block of the DSG and a more in-depth detailed analysis will be provided in a special schools forum meeting in February to discuss the DSG recovery plan and arrangement for pupils with SEN.
- 2.3 The Schools Forum are asked to approve the overspend being transferred into the DSG reserve to be matched against future HN grant.

**3. Centrally Retained Budgets**

- 3.1 The Schools' Forum approved centrally retained budgets of £1,657,367 from the schools block of the DSG which can be grouped into four categories:

- Growth Funding: £1,046,511
- Copyright Licenses: £248,203
- Contingency – Schools in Financial difficulty: £300,000
- Contingency – Other: £62,653

- 3.2 There is no change to the planned spending on these schemes overall however some area's within each other are overspend whilst others are underspent.

**4. Central Services Schools Blocks Forecasts**

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4.1 The Central Schools Services Block funds the statutory duties the local authority holds for both maintained schools and academies:

- Funding for on-going responsibilities, such as admissions.
- Funding previously allocated through the retained duties element of the Education Services C
- Residual funding for historic commitments

4.2 At their January 2019, Schools Forum meeting members approved, the LA's request to allocate the CSSB block of the DSG to run the following services:

**Table \* - Central services schools block**

Service	Total Budget 2019-20 £	2019-20 SB retained Services £	2019-20 Forecast
C&A Directorate Management Team	488,477	59,690	59,690
Commissioning Management Team	172,129	137,000	137,000
Schools Forum Administration	5,000	5,000	5,000
SACRE	15,094	15,094	15,094
Achieve Officer	32,623	32,623	32,623
Admissions and Medway Test – Excluding Appeals.	373,603	373,603	373,603
Planning and Review Team	167,272	100,000	100,000
Governor Services	£19,990	£19,990	£19,990
<b>Total</b>	<b>£1,274,188</b>	<b>£743,000</b>	<b>£743,000</b>

4.3 There is no change to the planned spending on these schemes.

## **5. DSG Reserves**

5.1 The DSG reserve was exhausted at the end of 2018/19, with a deficit balance of £4.139m being carried forward and funded from future DSG allocations. The Schools Forum agreed to approve the carry forward of the 2018/19 DSG overspend, to also be funded from future DSG allocations at the meeting in January 19.

5.2 The deficit equated to 1.48% of the gross DSG allocation for 2018/19, which resulted in the Local Authority being required to complete a Deficit Recovery Plan (for deficits of more than 1%).

5.3 The underlying issue driving this overspend is as a result of the pressures on the High Needs Block. The plan requires local authorities to demonstrate how they will bring the DSG into

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balance within a three year timeframe and must be signed off by Schools Forum and the authority's Chief Financial Officer and was submitted to the ESFA on 30 June 2019.

- 5.4 The Schools Forum will receive regular updates on the progression of the recovery plan which the next scheduled update at a special Schools Forum in February 2020.
- 5.5 Based on the round 2 monitoring as at the 31 March 2020, the DSG will be in deficit by £10.273m.

## **6. School Balances**

- 6.1 As at 31st March 2019, there were 32 maintained schools with revenue reserve balances totalling £2.614m; which is an increase of £0.379m or 17% from the previous year.
- 6.2 As at 31st March 2019, the capital reserve balances at the end of the 2018-19 financial year were £1.186m; which is a reduction of £0.216m from the previous year.

## **7.1 Schools' Forum Actions and Recommendations**

- 7.1 The Schools' Forum are asked to **NOTE, APPROVE** and **COMMENT** on this report.

### **Report Author:**

Maria Beaney

Finance Business Partner – Education and Schools

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## Agenda Item 6: DSG Budget Allocation Update

### 1. Background Information

- 1.1 The Education and Skills Funding Agency (ESFA) requires all Local Authorities (LA) to provide information to its Schools' Forum about its Dedicated Schools Grant (DSG) on a regular basis.
- 1.2 The DSG consists of four notional funding blocks.
  - 1) Schools Block – Funding for both maintained schools and academies. At least 99.5% must be passported to schools.
  - 2) High Needs Block – funding special education needs and alternative provision.
  - 3) Early Years Block – funding for nursery and early years providers.
  - 4) Central Services School Block – funding to support the statutory functions of the local authority for both maintained schools and academies.
- 1.3 The LA uses its DSG grant to fund educational activities across Medway either through direct payments to schools/academies, other educational providers or if approved centrally retained for education purposes.
- 1.4 The LA's retained DSG allocation is adjusted several times throughout the year when maintained schools convert to academies.

### 2. 2019 - 2020 DSG Allocation

- 2.1 The tables below outline the changes to Medway's DSG allocation by the ESFA in November 2019.
  - Table 1 outlines the allocations before academy deductions.
  - Table 2 outlines the LA's retained allocation after academy deductions.

**Table 1 - 2019-2020 DSG Allocation before academy deductions.**

	<b>Initial Allocation £m</b>	<b>May Allocation £m</b>	<b>November Allocation £m</b>	<b>Adjustment £m</b>
Schools Block	179.530	179.530	179.530	0
High Needs Block	37.992	38.220	38.220	0
Early Years Block	17.023	17.023	17.224	0
CSSB	0.743	0.743	0.743	0
<b>Total</b>	<b>235.289</b>	<b>235.717</b>	<b>235.717</b>	<b>0</b>

**Table 2 - 2019-2020 LA retained DSG allocations after academy deductions.**

	<b>Initial Allocation £m</b>	<b>May Allocation £m</b>	<b>November Allocation £m</b>	<b>Adjustment £m</b>
Schools Block	179.530	40.582	38.940	(1.642)
High Needs Block	37.992	26.611	26.508	(0.103)
Early Years Block	17.023	17.023	17.224	0.201
CSSB	0.743	0.743	0.743	0
<b>Total</b>	<b>235.289</b>	<b>84.959</b>	<b>83.415</b>	<b>(1.544)</b>

2.2 The LA's allocation has moved because:

- The Schools Block has reduced by £1.642m due to 2 schools converting to academy status during the year.
- The high needs block has reduced by £0.103m to reflect the additional 18 SEND places commissioned in academies from September 2019 in November 2018.
- The early years block has increased by £0.201 to reflect this additional uptake of the early year's hours.

**3. Initial 2020 - 2021 DSG Allocation**

3.1 Tables 3 below outlines Medway's initial DSG allocation by the ESFA in December 2019 for 2020-2021.

**Table 3 - 2020-2021 DSG Allocation before academy deductions.**

	<b>Initial Allocation £m</b>	<b>2019-20 November Allocation £m</b>	<b>Adjustment £m</b>	<b>Adjustment %</b>
Schools Block	190.724	179.530	11.194	6.24%
High Needs Block	41.470	38.220	3.250	8.5%
Early Years Block	17.526	17.224	0.302	1.75%
CSSB	0.768	0.743	0.025	3.336%
<b>Total</b>	<b>250.488</b>	<b>235.717</b>	<b>14.771</b>	<b>6.27%</b>

**4. Schools' Forum Actions and Recommendations**

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4.1 The Schools' Forum are asked to **NOTE** and **COMMENT** on this report.

**Report Author:**

Maria Beaney

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**Schools Forum 15<sup>th</sup> January 2020**  
**Agenda Item 7**  
**2020-21 Schools and Academy Funding Formula Consultation Feedback**

## **1 Introduction**

1.1 The Schools' Forum members agreed as part of the 2019-20 Funding Formula that the basic principles for future Schools and Academies Funding Formula should wherever possible and financially mirror the national funding formula and the following recommendation match this apart for the lump sum;

- To provisionally set/agree the funding factors and unit costs which were included in Medway schools and academies funding formula consultation?
- To set a lump sum factor of £90,000, flexed to make the formula affordable.
- To de-delegate the trade union duties, free school meals eligibility service and the central services budgets per pupil for both primary and secondary maintained schools.

1.2 These decisions were provisional and subject to consultation with Medway Schools and Academies.

## **2 Consultation for 2020-21**

2.1 The consultation was open from Monday 4<sup>th</sup> November 2019 to Sunday 24<sup>th</sup> November 2019.

2.2 Using the Council's online contact system, e-mails were sent to Headteachers, Finance Officers and office/finance at addresses of both maintained schools and academies. Some schools contacted the LA to obtain copies of this consultation as they did not receive the emails. Copies of the consultation were uploaded to SLA online and on the Council Website.

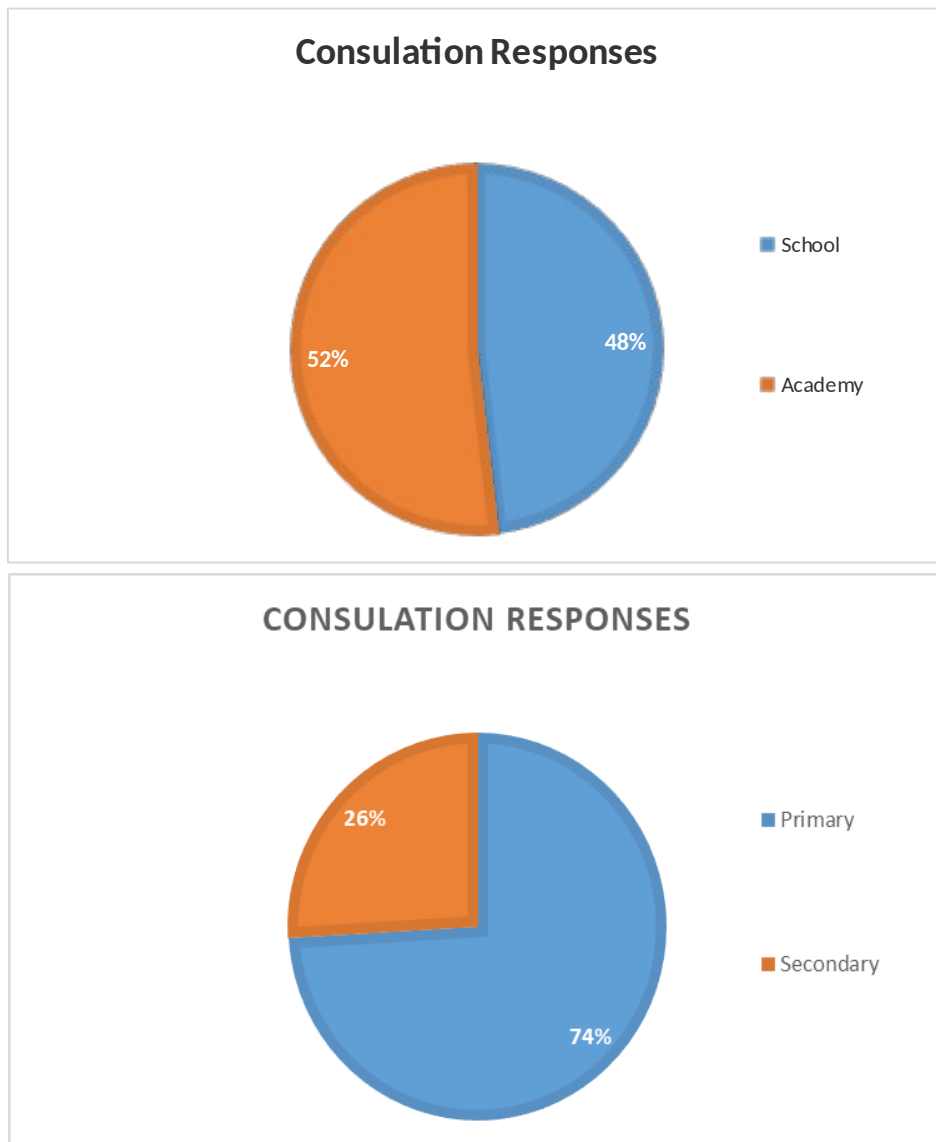
2.3 The consultation asked for schools and academies to submit their views on 16 questions. All questions were applicable to maintained schools, and all but 3 questions were applicable to academies and free schools.

2.4 27 responses (28%) were received from the 96 eligible schools, not all responders answered all questions and some academies answered the non academy questions. This compares to the 32 responses received last year and the 33 response the year before.

2.5 Of the 27 responses, some schools who are part of an academy Trust responded with 1 response on behalf of the trust, if you take these schools into account, the number of responses would have been 41. For this report and the data that follows we have only used the number of actual responses (27) received.

2.6 There has been small improvement with the number of academy responses received. 52% of this year's responses were received from academies compared to 50% received last year.

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2.7 In summary the questions and responses received were as follows:

Q1) Do you support the increase in the primary basic entitlement of £10 per pupil?

	No of Schools	Percentag e	
Yes	25	26.04%	27.08%
No	1	1.04%	
N/A	1	1.04%	
No Response	69	71.88%	
<b>Total</b>	<b>96</b>	<b>100.00%</b>	
<b>Order of importance ranking</b>			4

Q2) Do you support the increase in the secondary KS3 basic entitlement of £155 per pupil?

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	No of Schools	Percentage	
-			
Yes	13	13.54%	14.58%
No	1	1.04%	
N/A	13	13.54%	
No Response	69	71.88%	
<b>Total</b>	<b>96</b>	<b>100.00%</b>	
<b>Order of importance ranking</b>			<b>1</b>

Q3) Do you support the increase in the secondary KS4 basic entitlement of £175 per pupil?

	No of Schools	Percentage	
-			
Yes	13	13.54%	14.58%
No	1	1.04%	
N/A	13	13.54%	
No Response	69	71.88%	
<b>Total</b>	<b>96</b>	<b>100.00%</b>	
<b>Order of importance ranking</b>			<b>2</b>

Q4) Do you support the increase of the primary free school meals funding of £10 per pupil?

	No of Schools	Percentage	
-			
Yes	25	26.04%	27.08%
No	1	1.04%	
N/A	1	1.04%	
No Response	69	71.88%	
<b>Total</b>	<b>96</b>	<b>100.00%</b>	
<b>Order of importance ranking</b>			<b>7</b>

Q5) Do you support the increase of the primary free school meals ever 6 funding of £20 per pupil?

	No of Schools	Percentage	
-			
Yes	24	25.00%	27.08%
No	2	2.08%	
N/A	1	1.04%	
No Response	69	71.88%	
<b>Total</b>	<b>96</b>	<b>100.00%</b>	
<b>Order of importance ranking</b>			<b>10</b>

6) Do you support the increase in the IDACI banding to match the national funding formula rates?

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	No of Schools	Percentage	
-			
Yes	25	26.04%	27.08%
No	1	1.04%	
N/A	1	1.04%	
No Response	69	71.88%	
<b>Total</b>	<b>96</b>	<b>100.00%</b>	
<b>Order of importance ranking</b>			3

Q7) Do you support the increase of the mobility funding factor to match the national funding formula rates?

	No of Schools	Percentage	
-			
Yes	26	27.08%	27.08%
No	0	0.00%	
N/A	1	1.04%	
No Response	69	71.88%	
<b>Total</b>	<b>96</b>	<b>100.00%</b>	
<b>Order of importance ranking</b>			6

Q8) Do you support the increase in the primary low prior attainment funding of £550 per pupil?

	No of Schools	Percentage	
-			
Yes	24	25.00%	27.08%
No	2	2.08%	
N/A	1	1.04%	
No Response	69	71.88%	
<b>Total</b>	<b>96</b>	<b>100.00%</b>	
<b>Order of importance ranking</b>			5

Q9) Do you support the increase in the secondary low prior attainment funding of £60 per pupil?

	No of Schools	Percentage	
-			
Yes	13	13.54%	13.54%
No	0	0.00%	
N/A	14	14.58%	
No Response	69	71.88%	
<b>Total</b>	<b>96</b>	<b>100.00%</b>	
<b>Order of importance ranking</b>			9

Q10) Do you support the increase in the lump sum funding of £15,000 per school?

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	No of Schools	Percentage	
-			
Yes	25	26.04%	27.08%
No	1	1.04%	
N/A	1	1.04%	
No Response	69	71.88%	
<b>Total</b>	<b>96</b>	<b>100.00%</b>	
<b>Order of importance ranking</b>			<b>11</b>

Q11) Do you support the methodology of increasing or reducing the lump sum funding factor until the formula is affordable?

	No of Schools	Percentage	
-			
Yes	19	19.79%	28.13%
No	8	8.33%	
N/A	0	0.00%	
No Response	69	71.88%	
<b>Total</b>	<b>96</b>	<b>100.00%</b>	
<b>Order of importance ranking</b>			<b>8</b>

Q12) Do you believe we should stop schools from gaining more than 6%?

	No of Schools	Percentage	
-			
Yes	19	19.79%	28.13%
No	8	8.33%	
N/A	0	0.00%	
No Response	69	71.88%	
<b>Total</b>	<b>96</b>	<b>100.00%</b>	
<b>Order of importance ranking</b>			<b>12</b>

Q13) Do you support the continued de-delegation of the 2020-21 Trade Union Support service for Maintained schools only?

	No of Schools	Percentage	
-			
Yes	18	18.75%	20.83%
No	2	2.08%	
N/A	7	7.29%	
No Response	69	71.88%	
<b>Total</b>	<b>96</b>	<b>100.00%</b>	

Q14) Do you support the continued de-delegation of the 2020-21 Free School Meals Eligibility service for Maintained schools only?

	No of Schools	Percentage	
-			
Yes	18	18.75%	20.83%
No	2	2.08%	
N/A	7	7.29%	
No Response	69	71.88%	
<b>Total</b>	<b>96</b>	<b>100.00%</b>	

Q15) Do you support the continued de-delegation of the 2020-21 Central Services for Maintained schools only?

	No of Schools	Percentage	
-			
Yes	17	17.71%	20.83%
No	3	3.13%	
N/A	7	7.29%	
No Response	69	71.88%	
<b>Total</b>	<b>96</b>	<b>100.00%</b>	

Q16) Please rank the proposed changes in questions 1-12 in order of importance to you? (1 highest - 12 Lowest)

Question	Score	Rank
Q2	184	1
Q3	192	2
Q6	136	3
Q1	82	4
Q8	71	5
Q7	190	6
Q4	120	7
Q11	172	8
Q9	198	9
Q5	114	10
Q10	93	11
Q12	190	12

### 3 Action for the Schools Forum

- 3.1 To **NOTE** the contents of this report and consider these responses when setting the 2020-21 funding formula.

#### Report Author:

Martin Daniels

Management Accountant for Education and Schools

## **Schools forum 15 January 2020**

### **Agenda Item 8: 2020-2021 Local Authority Centrally Retained Budgets**

#### **1 Background.**

- 1.1 The Schools Block Dedicated Schools Grant (DSG) funds budgets delegated to schools/academies (via the funding formula) and funding retained by the Local Authority (LA) to support schools.
- 1.2 From April 2018, the DSG was split into four blocks of funding, one of which is the LA's central services school block (CSSB) funding which requires ratification and approval by the Schools' Forum.
- 1.3 LAs can only retain funds for the provision of central education services in circumstances which have been set by the Department for Education (DFE); these are known as Centrally Retained Budgets and fall into three headings;
- a) Statutory Functions of the Local Authority
  - b) Growth Fund
  - c) De-delegated Services
- 1.4 Each year the Schools' Forum is required to approve the centrally retained budgets and the CSSB funding.
- 1.5 The Schools' Forum have previously decided that the following support ( see below) should be given to schools/academies with PAN increases in order to allow the PAN changes to \*to be embedded through the school/academy funding system.
- |           |                         |
|-----------|-------------------------|
| Infant    | 3 years maximum support |
| Junior    | 4 years maximum support |
| Primary   | 7 years maximum support |
| Secondary | 5 years maximum support |

- 1.6 This support would cease as soon as capacity is reached or if a change is made back to the original PAN or PAN reduction.

#### **2 Statutory Functions of the Local Authority**

- 2.1 The new CSSB DSG funding is intended to provide funding for LA's to continue to operate and run their statutory functions and for 2020-21 the DSG allocation awarded is £768,337 broken down as follows:

£373,603 for Co-ordinated Pupil Admissions processes  
£5,000 for Schools Forum administration



£389,734 for general statutory duties relating to both maintained schools and academies as per table 1 below.

**Table 1 – How is the CSSB funding spent?**

Service	Total Budget 2020-21 £	2020-21 SB retained Services £
C&A Directorate Management Team	585,477	85,027
Commissioning Management Team	172,129	137,000
Schools Forum Administration	5,000	5,000
SACRE	15,094	15,094
Achieve Officer	32,623	32,623
Admissions and Medway Test – Excluding Appeals.	373,603	373,603
Planning and Review Team	167,272	100,000
Governor Services	£19,990	£19,990
<b>Total</b>	<b>£1,274,188</b>	<b>£768,337</b>

2020/21 budgets are shown as gross and remain provisional until they are approved by Council in February.

- 2.2 Any underspends at the year-end will be carried forward to fund the statutory functions of the LA in 2021-2022.
- 2.3 **The Schools Forum are asked to approve the LA's CSSB funding of £768,337 for 2020-21?** All schools School Forum members can vote.

### **3. Growth Funding and Pupil Number Variations**

- 3.1 Permanent PAN Increases must be funded via the Funding Formula and not through the growth fund of the centrally retained funds held by LA. This means the LA require the Schools' Forum approval to adjustment the school/academy pupil on roll number, used in the Funding Formula on all funding factors and not just on the Basic Entitlement (AWPU).
- 3.2 Estimated pupil numbers have been used to for the new PAN increases and have also been weighted to take account of the different school and academy funding years.

- a) 7/12ths have been used for maintained schools - i.e. September 20 – March 21
- b) 12/12ths have been used for academies - i.e. September 20 – August 21.

**3.3** Table 3 below shows a number of new schools places required from September 2020 relating to PAN increases agreed at previous Schools' Forum meetings. The new class growth funding associated with this group of schools is £660,000.

**Table 3 – On-going Identified School PAN Increase**

School	Year of Support	Academy	Maxium Pupil Increase Per Class	Number of Pupils by Year Group								
				R	1	2	3	4	5	6	Total Pupils	Total Pupils
Brompton Westbrook Primary Academy	7 of 7	Y	15	15	15	15	15	15	15	15	105	105.0
Saxon Way Primary Academy	7 of 7	Y	30	30	30	30	30	30	30	30	210	210.0
Cedar Primary School	6 of 7	Y	15	15	15	15	15	15	15	-	90	90.0
New Horizons Primary Academy	6 of 7	Y	30	90	90	90	90	90	90	90	630	630.0
Hundred of Hoo Academy - Primary Phase	6 of 7	Y	30	30	30	30	30	30	30	-	180	180.0
Bligh Federation	4 of 7	Y	30	30	30	30	-	-	-	-	120	120.0
Cliffe Woods	4 of 4	Y	15	15	15	15	15	15	15	15	105	105.0
Woodlands Academy	6 of 7	Y	30	30	30	30	30	30	30	-	180	180.0
Halling	3 of 7	N	20	20	20	-	-	-	-	-	60	35.0
Riverside	2 of 7	Y	30	30	-	-	-	-	-	-	60	60.0
St Mary's Island	2 of 7	N	60	30	-	-	-	-	-	-	90	52.5
				365	335	275	255	225	225	150	1,830	1,767.5

Please note:

New classes are shown in red and highlighted and total 355 (pro-rated to reflect the different financial years) and are reflected in the funding formula proposals later on the agenda.

**3.4** Table 4 below shows the new schools places required from September 2020 where the PAN changes have been agreed with the place planning team. The new class growth funding associated with this group of schools is £90,000.

**Table 4 – New School Places from September 2020.**

School	Years of Supprt	Academy	Maximun Pupils	Total Pupils (	Total Pupils	total
Hundred of Hoo (Year 7)	1 of 1	Y	30	30	30	18
Strood Academy (Year 7)	1 of 1	Y	18	18	18	11
Robert Napier (Year 7)	1 of 1	Y	30	30	30	18
Victory (Year 7)	1 of 1	Y	30	30	30	18
Brompton Academy (Year 7)	1 of 1	Y	40	40	40	23
Rainham Girls (Year 7)	1 of 1	Y	30	30	30	18
Waldersalde Girls (Year 7)	1 of 1	Y	20	20	20	12
Thomas Aveling (Year 7)	1 of 1	Y	30	30	30	18
Greenacre (Year 7)	1 of 1	Y	20	20	20	12
Holcombe (Chatham)	1 of 1	Y	30	30	30	18
Walderslade Primary (Chatham)	1 of 1	Y	30	30	30	18
Wayfield Primary (Chatham)	1 of 1	Y	30	30	30	18
Gordon Infants (Rochester)	1 of 1	Y	30	30	31	18
Phoenix (Chatham)	1 of 1	Y	45	45	32	19
Rochester Girls (Rochester)	1 of 1	Y	30	30	33	19
				443	338	197.2

Please note:

New classes are shown in red and highlighted and total 197.2 (pro-rated to reflect the different financial years) and are reflected in the funding formula proposals later on the agenda.

- 3.5 Table 5 below shows the new schools places required from September 2020 but where the place planning team are still negotiating with schools and the cost associated with this group of school or schools is £118,500.

**Table 5 - Newly unspecified school places.**

School	Year of Support	Academy	Maxium Pupil Increase Per Class				Outturn Forecast
				R	Total Pupils	Total Pupils	
TBC	1 of 1	Y		Primary	30	30.0	118,500.00
				-	30	30.0	118,500.00

- 3.6 In 2018-19 Medway created a Schools In Financial Difficulty Policy due to class sizes policy, known as the small class size policy.
- 3.7 The Schools Forum has previously agreed to support the three schools shown in table 5 below. The Small class size funding equates to £55,000 per class for year R, 1 and 2 as it moves through the school. As this school has a mandatory maximum class size of 30 pupils per class. The ongoing cost of this support for the schools approved totals £495,000 if all the proposals in agenda item 4 are agreed.
- 3.8 The 2020-21 growth fund budget has been allocated at £1,363,500 this compares to the £1,062,631 allocated in 2019/20.

#### **4. De-Delegated Services**

- 4.1 There is a short list of budgets that are currently held centrally that must be delegated to schools/academies through the funding formula in 2020-21. However, the LA can ask the Schools Forum's approval for them to be 'de-delegated' in order for these funds to be pooled centrally and managed by the LA.
- 4.2 Any underspends at year-end will be carried forward to De-delegations or to the Schools Block of the Dedicated Schools Grant.
- 4.3 De-delegation applies only to mainstream maintained schools (so not academies, special schools or PRUs) as only these schools would benefit from the services that are funded centrally. It is, however, possible for academies, special schools and PRUs to buy into these services as part of the LA's 'buy-back'

**VOTE: Primary and secondary maintained school members must vote separately to approve or reject the three proposed 2020-21 de-delegated services to adopt for 2020-21?**

#### **4.4 Assessment of Eligibility for Free School Meals**

In 2019-20 the Schools Forum approved a de-delegation of £0.60 per pupil from both primary and secondary schools, in order for the LA to check pupils' eligibility for free school meals on behalf of LA maintained schools.

**For 2020-21, the Forum is asked to approve a de-delegation rate of £0.60 per pupil from primary and secondary schools.**

#### **4.6 Trade Union Facilities**

For 2019-20 the Schools Forum approved a de-delegation of £1.30 per pupil from both primary and secondary schools, which enables the teaching unions to represent their members in disciplinary, grievance, and complaints hearings and to respond to LA consultations on policies and procedures which affect teaching staff in Medway schools.

The budget is used to reimburse schools which employ the union reps so the schools concerned don't bear the cost of covering their absence. Giving teachers access to local expert trade union support can have benefits for both schools and the LA in terms of improved employee relations in schools.

This cost of this service is the same for both academies and maintained schools but has been pro-rated to reflect the different financial years for academies and maintained schools.

**The LA is seeking the Forum's approval for 2020-21 to de-delegate £1.45 per pupil from primary and secondary schools.**

#### 4.7 **Central Services**

Pre 2019-20 the local authority received an education service grant which paid for the LA's statutory services in respect of schools. In 2017-18 this grant was rolled into the schools block DSG. At their meeting in October 2018, the schools forum members provisionally agreed to de-delegate £66 per pupil for both primary and secondary schools again in 2019-20. The Council is requesting to delegate this funding again in 2020-21.

Table 6 below shows how this funding will be spent.

**Table 6 – Schools Top Slicing.**

<b>Responsibilities for maintained schools</b>	<b>Total Budget 2019-20 £</b>	<b>School Contribution %</b>	<b>Schools Contribution 2019-20 £</b>
Functions relating to LA pensions: a) administration of teachers' pensions b) Retrospective membership of pension schemes.* c) Dismissal or premature retirement* * when costs cannot be charged to the school.	£635,435	43%	£273,913
General landlord duties for all maintained schools.	£250,000	40%	£100,000
National curriculum assessments and virtual head teacher.	£100,000	100%	£100,000
Monitoring of school improvement.	£350,000	50%	£176,000
<b>Total</b>	<b>£1,335,435</b>	<b>49%</b>	<b>£649,913</b>

19/20 Budgets are provisional until agreed by Council in February.

**The LA is seeking the Forum's approval for 2020-21 to de-delegate £66 per pupil from primary and secondary schools.**

## **5. Action for the Schools' Forum**

5.1 The Schools' Forum is asked **to NOTE, APPROVE, REJECT and COMMENT** on this paper.

- a) The Central Service School Block funding of £768,337 as per section 2.3 of this report.
- b) The ongoing PAN commitments as per section 3.3, table 3 above.
- c) The new specified school PAN increase as per section 3.4, table 4 above.
- d) The 1 newly unspecified school PAN increase as per section 3.5, table 5 above.
- e) To Ratify the Growth fund budget of £1,363,500 for 2020-21.
- f) The de-delegated Services as highlighted in section 4 of this report.
  - i. Trade Union support - £1.45 per pupil for both primary and secondary.
  - ii. Central Services - £66.00 per pupil for both primary and secondary Schools.
  - iii. Free School Meals - £0.60 per pupil for both primary and secondary.

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## **Agenda Item 9: The Final Schools and Academies Funding Formula 2020-21**

### **1 Background**

1.1 At previous School Forum meetings and previous papers on this agenda, Members discussed and agreed the following:

- To use a local funding formula which is moving towards the NFF.
- The 9 factors to be included in Medway's local funding formula.
- To continue to use the Sparsity tapering and lump sum method.
- Agreed the pupil number variations - PAN increases.
- Agreed the Growth Fund payments.
- The Council Statutory Retained Functions.
- The Council pooled school services - De-Delegations.
- To transfer 0.5% of the Schools Block to the High Needs Block.
- To repay the 2018-19 SB overspend from the 2019-20 allocation.
- To use the governments minimum funding guarantees:
  - A 0.5% year on year baseline per pupil increase.
  - Primary Schools will receive £3,750 per pupil and £5,000 for Secondary Schools.
  - To set an MFG of -1.5% for losing schools.

### **2 Final 2020-21 Schools and Academies Funding Formula**

2.1 The final 2020-21 schools and academies funding formula, funding factors remain the same as the provisional formula, shown in appendix 1.

2.2 The funding unit costs remain the same as the provisional formulas except for the;

- Lump Sum which has reduced to £76,050. This is reduction of £13,950 when compared to the lump sum previously reported to the Schools Forum. Please see appendix 2 showing the final funding formula unit costs.

2.3 Please see confidential appendix 3 for each school's 2020-21 funding. This information is not to be discussed with other expect members of the Schools Forum.

2.4 Under this formula, there will be 74 schools who will gain funding and 22 schools who will lose funding:

- All 22 schools who have lost funding, have seen a reduction in pupil numbers. The budget reductions range from, a reduction of £534 (1 pupil) to £271,620 (83 pupils.)
- 12 schools have gained funding but lost pupils. Each school has seen an increase in the average funding on a per pupil basis.
- 6 schools have seen increased pupil numbers and funding but will see a reduction to the average funding per pupil. Ranging from £9.09 to 249.20 per pupil.

### **3 2020-21 Schools Block Dedicated Schools Grant (SB DSG)**

- 3.1 The Funding Formula is used to distribute the Schools Block element of the DSG to all mainstream schools and academies fairly and transparently.
- 3.2 The total SB allocation available for distribution after allowable deductions is £187,438,191 (£177,569,736 in 2019/20 or an increase of 6.2%) calculated as follows;

Initial Allocation Schools Block	£190,724,418
Less: 2020-21 Growth Fund	£- 1,535,400
Less: School block 2018-19 repayment	£ -797,205
Less: School block to HN Block Transfer- 0.5%	£- 953,622
Total for Allocation in Funding Formula	<b><u>£187,438,191</u></b>

- 3.3 The 2018-19 schools block DSG overspent by £797,205 mainly due to the additional in year NNDR rate adjustments (5 schools totalling £706,000) and other building funding factors (£87,000) funding which had to be paid to schools during the year.
- 3.4 Table 1 below shows the total funding allocated for each funding factor in 2020-21 and 2019-20 for comparison.

<u>Funding Factor</u>	<u>2019-20</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2020-21</u>
	<u>Allocation</u>	<u>Percentage</u>	<u>Allocation</u>	<u>Percentage</u>
	<u>£m</u>	<u>%</u>	<u>£m</u>	<u>%</u>
Basic Entitlement – Primary	70.481	40.00%	71.167	37.97%
Basic Entitlement – Secondary	65.594	37.20%	70.291	37.50%
Deprivation	16.570	9.40%	16.821	8.97%
Prior Attainment	9.259	5.25%	13.132	7.01%
EAL	1.435	0.78%	1.434	0.77%
Mobility	0.063	0.04%	0.416	0.22%
Lump Sum	7.200	4.09%	7.301	3.9%
Split Sites	0.115	0.07%	0.115	0.06%
Sparsity	0.002	0.01%	0.011	0.01%
Rates	1.693	0.96%	1.782	0.95%
Exceptional Circumstances (Listed Building & Monument)	0.109	0.06%	0.068	0.04%
<b>Sub Total</b>	<b>172.460</b>	<b>97.87%</b>	<b>182.529</b>	<b>97.38%</b>
MFG / Cap on Gains	5.110	2.13%	4.908	2.62
<b>Total Delegated</b>	<b>177.570</b>	<b>100.00%</b>	<b>187.437</b>	<b>100.00%</b>

*Rounding differences will occur in the above table and relate to the LFF.*

- 3.4 Table 2 below highlights the difference between the DSG School Block allocation provided and how the formula allocates the funding.



<u>Funding Factor</u>	<u>SB DSG Allocation</u> <u>£m</u>	<u>Formula Allocation</u> <u>£m</u>	<u>Variance</u> <u>£m</u>
Pupil Funding	187.278	184.123	(3.155)
Premises and Mobility Factors	1.917	2.383	0.466
Growth Fund	1.529	2.472	0.943
Block Transfers and other movements	0	1.746	1.743
<b>Total Funding</b>	<b>190.724</b>	<b>190.724</b>	<b>0</b>

### 3.5 Additional Information:

- a) Primary pupil numbers (excluding nursery pupils and PAN variations) have increased from 24,482 in 2019-20 to 24,658 in 2020-21; an increase of 176 pupils.
- b) Secondary pupil numbers (pre-16) have increased from 16,080 in 2019-20 to 16,473.5 in 2020-21; an increase of 393.5 pupils. The 0.5 represents at least one dual registered pupil.
- c) In 2020-21 75.84% of funding is distributed through the basic entitlement factor compared to 77.9% in 2019-20.
- d) In 2020-21 92.89% of funding is distributed through pupil lead factors compared to 93.5% in 2019-20.
- e) Primary schools will receive at least £3,750 per pupil and £5,000 for secondary schools.

## 4 Actions for the Schools Forum

### 4.1 The Forum are asked to **NOTE, COMMENT** and **APPROVE**:

- To agree to transfer £953,622 or 0.5% from the schools block to the high needs block.
- To agree to repay the 2018-19 DSG SB overspend of £797,205.
- Medway's Final Schools and Academies Funding Formula 2020-21. This will then be reported to the Council's Cabinet on 4 February 2020 for 'political approval' – as per ESFA instructions.

## 5 Next Steps

### 5.1 The Funding formula allocations for 2020-21 (i.e. the Schools Block allocation) will be notified to schools and academies as follows;

28 February 2020: Medway to confirm allocations to schools  
31 March 2020: ESFA to confirm allocations to academies

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## The Schools and Academies Funding Formula.

- 1 Each year the government issues guidance to ensure each local authority calculates its school funding using the same methodology but it's a local decision on which of the available 13 funding factors a local authority chooses to introduce into its funding formula.
- 2 There are 10 funding factors included in Medway Schools and Academies Funding Formula and they are:

### a) Basic Entitlement

A compulsory factor which assigns funding on a per pupil basis for each school or academy based on the October census multiplied by a unit funding rate. There are different funding rates for key stage 2, 3 and 4 as well as primary age pupils.

### b) Deprivation

A compulsory factor which assigns funding to pupils from deprived areas. LAs can either use the free schools meals indicator and/or the income deprivation affecting children Index (IDACI).

Medway uses both and different funding rates are attached to each level of the IDACI system with different funding rates for primary and secondary.

### c) Prior Attainment

This is an optional factor which acts as a proxy indicator for low level, high incidence special educational needs.

Funding is applied for primary pupils not achieving the expected level of development within the Early Years Foundation Stage and for secondary pupils not reaching L4 at KS2 in either English or maths.

### d) English as Another Language

This is an optional factor where EAL pupils may attract funding for up to 3 years after they enter the school system based on census data.

### e) Pupil Mobility

This is an optional factor which measures the pupils who entered a school during the last 3 years who did not start in August, September or January of a reception class.

There is a 10% minimum threshold; therefore, if a school/academy has a 12% mobility factor, 2% (12% - 10%) of the school/academy pupils will attract mobility funding.

No longer used by Medway.

### f) Sparsity

This is an optional factor. In order to qualify for this funding the school or academy must meet two criteria set by the government; first they are located in an area where pupils would have to travel significant distance to the nearest school; and second, they are a small school.

Primary schools/academies must have a sparsity distance greater than 2 miles and an average year group of less than 21.4

Secondary school/academies must have a sparsity distance greater than 3 miles and an average year group of less than 120.

All through school/academies must have a sparsity distance greater than 2 miles and an average year group of less than 62.5?

The maximum funding is £25,000 for primary schools and £65,000 for secondary schools tapered (pro-rata) to the class size and distance.

**g) Lump Sum**

This is an optional factor where each school will receive a maximum lump sum up to £114,000. The lump sum may be different for primary and secondary schools/academies but Medway has the same lump sum for both primary and secondary schools/academies at £76,050.

**h) Split Sites**

This is an optional factor which is designed to help support schools which are located on separate sites. The school sites must be separated by a road. Schools sharing facilities, federated schools and schools with remote sixth forms are NOT eligible for split site funding.

**i) Rates**

This is an optional factor which funds a school or academy based on their estimated rates bills for the coming year. Medway also adjusts the rates funding to account for any over or under funding of rates from the previous financial year.

**j) Exceptional Premises Factors**

This is an optional factor where LAs can apply to the ESFA to use exceptional factors relating to premises. These factors must be more than 1% of a schools budget and apply to fewer than 5% of Medway schools and academies. There are two ESFA approved exceptional factors for Medway. Firstly a listed building factor and secondly an Amalgamated Schools/Academies factor.

**2020-21 Local Funding Formula Funding Factors.**

<b>Funding Factors</b>	<b>Description</b>	<b>Primary per pupil</b>	<b>Secondary per pupil</b>
Basic Entitlement	Primary (Years R-6)	2,857. 00	-
	Secondary KS3 (Years 7 - 9)	-	4,018.00
	Secondary - KS4 (Years 10 - 11)	-	4,561.00
Deprivation	FSM	450. 00	450.00
	FSM6	560. 00	560.00
	IDACI Band F	210. 00	300.00
	IDACI Band E	250. 00	405.00
	IDACI Band D	375. 00	535.00
	IDACI Band C	405. 00	580.00
	IDACI Band B	435. 00	625.00
	IDACI Band A	600. 00	840.00
English as an Additional Language (EAL)	EAL 3	535. 00	1,140.00
Mobility	Pupils starting school outside of normal entry dates	87 5.00	1,250. 00
Prior attainment	Low Attainment % new EFSP - 38.4%	1,065.00	-
	Secondary low attainment (year 7) - 58.5%	-	1,610.00
	Secondary low attainment (year 8) - 48.2%	-	1,610.00
	Secondary low attainment (years 9 to 11)	-	1,610.00
Lump Sum	Lump Sum	76,050.00	75,050.00
Sparsity	Sparsity - Tapered	25,000.0 0	65,000.00